

**On the cover**

Britain has embarked on a great gamble. Sooner or later, many other rich-world countries will have to take it too: leader, page 9. Both the stakes and the risks are high, pages 19-21. The salesman at work: Bagehot, page 46. The charms of social entrepreneurship, pages 55-57. The extremes of the fiscal debate, page 64

**The Economist online**

**Daily news and views:** news analysis, online-only columns, blogs on politics, economics and travel, and a correspondent's diary

**E-mail:** newsletters and mobile edition  
[Economist.com/email](http://Economist.com/email)

**Research:** search articles since 1997, special reports  
[Economist.com/research](http://Economist.com/research)

**Print edition:** available online by 7pm London time each Thursday  
[Economist.com/print](http://Economist.com/print)

**Audio edition:** available online to download each Friday  
[Economist.com/audioedition](http://Economist.com/audioedition)

**The Economist**

Volume 396 Number 8695

First published in September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress."

**Editorial offices in London and also:** Bangkok, Beijing, Berlin, Brussels, Cairo, Chicago, Delhi, Frankfurt, Hong Kong, Jerusalem, Johannesburg, Los Angeles, Mexico City, Moscow, New York, Paris, San Francisco, São Paulo, Tokyo, Washington

**6 The world this week****Leaders**

- 9 **Reforming the state**  
Radical Britain
- 10 **Consumer genetics**  
Reading genes
- 10 **Australia's election**  
(Un)lucky country
- 11 **The world economy**  
Joy and pain
- 12 **International broadcasting**  
News from everywhere

**Letters**

- 14 **America's prisons, Fannie Mae and Freddie Mac, bullfighting, Wintel, World of Warcraft**

**Briefing**

- 19 **Radical Britain**  
The unlikely revolutionary

**Asia**

- 23 **Australia's general election**  
Green around the gills
- 24 **Terrorism in Indonesia**  
Arrest of a smiling extremist
- 24 **Functionaries v fun**  
Party poopers in China
- 25 **Disposing of Hong Kong's dead**  
Ashes to ashes
- 25 **India and the Commonwealth games**  
Running into the sand
- 26 **Banyan**  
Containing China

**United States**

- 27 **The left**  
Disappointed, down, despondent
- 28 **West Virginia's 1st district**  
Old King Coal
- 30 **Ted Stevens**  
The emperor of earmarks
- 30 **Defence cuts in Virginia**  
A chop to the heart

- 31 **Politics and picnics**  
First find your gander

- 31 **Medicare fraud**  
Whack-a-mole

- 32 **Lexington**  
New mandate, new maverick McCain

**The Americas**

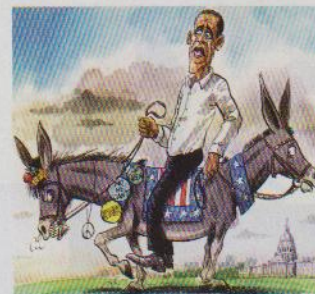
- 33 **Mexico and drugs**  
Thinking the unthinkable
- 34 **Cuba's Fidel Castro**  
A ghost reappears
- 34 **Brazil's presidential campaign**  
Reflected glory
- 35 **Colombia's new president**  
Opening gambits

**Middle East and Africa**

- 36 **Palestinian democracy**  
Under threat from all sides
- 37 **Ramadan in the heat**  
Everything slows down
- 37 **Hamas's Jerusalem MPs**  
Just get out
- 38 **Libertarians in Morocco**  
To fast or not to fast
- 38 **Trouble in Darfur**  
The perils of peacekeeping
- 39 **Kenya's new constitution**  
Tribal loyalty prevails

**Europe**

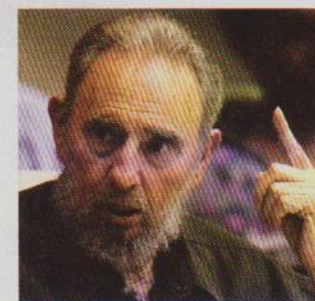
- 40 **Russia's wildfires**  
Into the inferno
- 41 **Wildfires and floods**  
Part of the main
- 41 **Turkey's generals**  
No jobs for the boys
- 42 **Central and eastern European security**  
Reset and unsettled
- 43 **Charlemagne**  
Migrants, Europe's hidden story



**Obama and the left** The president's supporters show no sign of rushing to the polls for him, page 27. John McCain has bent with the wind in his Arizona primary. Will he snap upright again? Lexington, page 32. The battle in West Virginia, page 28



**Australia's election** In an entertaining battle between two clever but uninspiring leaders the country has gained little: leader, page 10. Labor's Julia Gillard could easily lose her narrow advantage, page 23



**Fidel Castro** The great man's return is a mixed blessing for his brother, page 34

» Contents continues overleaf





**Double-dip America?** Fear of renewed recession contrasts with optimism in Europe. Both can't be right: leader, page 11. A weak economy and an active Fed have driven the dollar down, page 59. How jobless is America's recovery? Page 60



**Genetic testing** Alas, a DNA test probably won't reveal your future. But a crackdown on consumer genetics is unwise: leader, page 10. The personal genetic-testing industry has hit a rough patch, but brighter days lie ahead, page 49



**Hewlett-Packard** Mark Hurd's resignation embroils the world's biggest technology company in yet another Hollywood-style scandal: Schumpeter, page 54. Tata also needs a new boss, page 50

## Britain

- 44 **Houses and prices**  
Whose backyard is it anyway?
- 45 **Dale Farm's gypsies**  
Travellers' travails
- 46 **Bagehot**  
David Cameron on the stump

## International

- 47 **International broadcasters**  
Waves in the web
- 48 **Far-right politics**  
Xenophobes unite!

## Business

- 49 **Genomics**  
What lies within
- 50 **Tata seeks a chairman**  
Succeeding a success
- 51 **Club Méditerranée**  
An empire built on sand
- 51 **Net neutrality**  
No, these are special puppies
- 51 **Nature on television**  
Cue the fish
- 52 **Corporate governance in Hungary**  
Always read the small print
- 52 **Expensive restaurants**  
Of bits and bites
- 53 **Mexican airlines**  
Cleared for take-off
- 54 **Schumpeter**  
The curse of HP

## Briefing

- 55 **Social innovation**  
Let's hear those ideas

## Finance and economics

- 59 **Currencies**  
Race to the bottom
- 60 **American unemployment**  
Lower, not hire
- 60 **High-frequency traders**  
Spread betting
- 61 **Buttonwood**  
Financial markets

- 62 **Tax evasion**  
Dues and don'ts
- 62 **The wheat panic**  
Straw man
- 63 **Finance after the crisis**  
Citigroup's future
- 64 **Economics focus**  
Fiscal fundamentalists

## Science and technology

- 65 **Artificial intelligence**  
Riders on a swarm
- 66 **Animal and human behaviour**  
Manager's best friend
- 67 **Fixing oil wells**  
The price of staying in the game

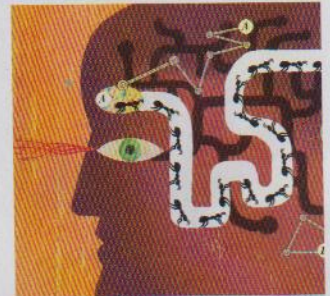
## Books and arts

- 68 **Jews and Islam**  
People of the book
- 69 **An Ottoman memoir**  
Mon oncle
- 69 **Jack London**  
Call of the wild
- 70 **The industrial revolution**  
Fire and brimstone
- 70 **A gay life**  
Samuel Steward
- 71 **New fiction**  
Nutty love
- 71 **New cinema**  
"Life During Wartime"

## Obituary

- 72 **Tony Judt**  
An East End intellectual

- 77 **Economic and financial indicators**  
Statistics for 42 economies, plus closer looks at share prices and foreign-reserve accumulation



**Swarm intelligence** Mimicking the behaviour of ants, bees and birds started as a poor man's version of artificial intelligence. It may, though, be the key to the real thing, page 65. Why dogs in the office improve productivity, page 66

## Principal commercial offices:

25 St James's Street, London SW1A 1HG  
Tel: 020 7830 7000 Fax: 020 7839 2968/9  
Boulevard des Tranchées 16  
1206 Geneva, Switzerland  
Tel: 41 22 566 2470 Fax: 41 22 346 9347  
750 3rd Avenue, 5th Floor, New York, NY 10017  
Tel: 1 212 541 0500 Fax: 1 212 541 9378  
60/F Central Plaza  
18 Harbour Road, Wanchai, Hong Kong  
Tel: 852 2585 3888 Fax: 852 2802 7638

## Other commercial offices:

Chicago, Dubai, Frankfurt, Los Angeles, Paris, San Francisco and Singapore

## Subscription service

For our latest subscription offers, visit [Economist.com/offers](http://Economist.com/offers). You can also subscribe by mail, telephone or fax at the details provided below:

Telephone: +65 6534 5166

Facsimile: +65 6534 5066

Web: [Economist.com/offers](http://Economist.com/offers)

E-mail: [EconomistAsia.Subs@quadrantsubs.com](mailto:EconomistAsia.Subs@quadrantsubs.com)

Post: The Economist  
Subscription Centre,  
Tanjong Pagar Post Office  
PO Box 671  
Singapore 910817

## Subscription for 1 year (51 issues)

Hong Kong	HK\$ 1,680	Thailand	US\$230
Australia	A\$365	Japan	Yen 34,500
Malaysia	US\$180	India	US\$123
Singapore	S\$365	New Zealand	NZ\$390
Other countries		Contact us at above	

## An Economist Group business



PEFC certified

This copy of *The Economist* is printed on paper sourced from sustainably managed forests certified by PEFC [www.pefc.org](http://www.pefc.org)

